
DIGEST

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Thibaut

HB No. 227

Abstract: Requires condominium unit owners' associations to maintain a fidelity bond; requires the condominium unit owners' association to maintain proof of the bond and to present the proof for inspection upon request of a member of the condominium unit owners' association.

Proposed law requires any condominium unit owners' association collecting assessments for common expenses to obtain and maintain a blanket fidelity bond covering the officers, directors, and persons employed by the unit owners' association and any managing agent and employees of the managing agent.

Proposed law requires the bond to provide coverage in an amount equal to the lesser of \$1,000,000 or the amount of reserve balances of the unit owners' association plus 1/4 of the aggregate annual assessment of the unit owners' association.

Proposed law provides that the minimum coverage amount shall be \$10,000.

Proposed law provides that any unit owners' association whose managing agent maintains its own bond shall be in compliance with proposed law, provided that the managing agent's bond meets the requirements set forth in proposed law, and that the association is named as an additional insured under the managing agent's bond.

Proposed law requires the unit owners' association or the managing agent to maintain proof of the bond required by proposed law on the premises of the condominium at all times.

Proposed law requires the unit owners' association or the managing agent to make the proof of the fidelity bond available for inspection by a member of the condominium unit owners' association upon request of the member.

Proposed law requires the unit owners' association or the managing agent to also provide every member of the unit owners' association with written or electronic notice of the fidelity bond as well as a statement notifying the member that the member has a right to inspect the proof of the bond required by proposed law.

(Adds R.S. 9:1123.113)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Commerce to the original bill.

1. Made a technical correction.

House Floor Amendments to the engrossed bill.

1. Required the unit owners' association or the managing agent to maintain proof of the fidelity bond on the premises of the condominium at all times.
2. Required the unit owners' association or the managing agent to make the proof of the fidelity bond available for inspection by a member of the condominium unit owners' association upon request of the member.
3. Required the unit owners' association or the managing agent to provide every member of the unit owners' association with written or electronic notice of the fidelity bond as well as a statement notifying the member that the member has a right to inspect the proof of the bond.